

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 60th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Chairman Bob Lake, on February 22, 2007 at 8:00 A.M., in Room 152 Capitol.

ROLL CALL

Members Present:

Rep. Bob Lake, Chairman (R)
Rep. Jill Cohenour, Vice Chairman (D)
Rep. Jon Sonju, Vice Chairman (R)
Rep. Norma Bixby (D)
Rep. Mark Blasdel (R)
Rep. Edward B. Butcher (R)
Rep. Ron Erickson (D)
Rep. Wanda Grinde (D)
Rep. Robin Hamilton (D)
Rep. Edward Hilbert (R)
Rep. Mike Jopek (D)
Rep. Carol Lambert (R)
Rep. Gary MacLaren (R)
Rep. Dave McAlpin (D)
Rep. Bill Nooney (R)
Rep. JP Pomnichowski (D)
Rep. John (Jack) W. Ross (R)

Members Excused: Rep. Chas Vincent (R)

Members Absent: None.

Staff Present: Jeff Martin, Legislative Branch
Debra Polhemus, Committee Secretary

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: HB 772, 2/16/2007; HB 778,
2/19/2007

Executive Action: HB 545; HB 719; HB 701; HB 637
HB 772; HB 678

HEARING ON HB 772

Opening Statement by Sponsor:

00:02:07 Rep. Ken Peterson (R), HD 46, opened the hearing on HB 772, Income tax base on percent of federal taxable income.

Proponents' Testimony: None

Opponents' Testimony:

00:05:52 Leo Berry, representing Association of Retired Public Employees

Informational Testimony:

00:11:08 Dan Dodds, Department of Revenue

Questions from Committee Members and Responses:

00:11:25 Rep. Erickson
00:12:13 Rep. Peterson
00:12:31 Jeff Martin, Legislative Services Division
00:13:32 Dan Dodds
00:14:03 Jeff Martin
00:14:33 Rep. Erickson

Closing by Sponsor:

00:16:27 Rep. Ken Peterson

HEARING ON HB 778

Opening Statement by Sponsor:

00:17:53 Rep. Wayne Stahl (R), HD 35, opened the hearing on HB 778, Clarify government exemption from oil and gas production taxes.

Proponents' Testimony:

00:20:10 Willie Duffield, Executive Director, Montana
Association of Oil and Gas Producing Counties
00:20:44 Joy Stevens, representing City of Baker
00:24:09 Gail Abercrombie, representing Montana Petroleum
Association

Opponents' Testimony: None

Informational Testimony:

00:25:18 Van Charlton, Department of Revenue

Questions from Committee Members and Responses:

00:25:39 Rep. Sonju
00:29:36 Rep. Jopek
00:34:14 Rep. Stahl
00:36:29 Rep. Erickson
00:39:14 Rep. McAlpin
00:39:40 Jeff Martin
00:39:57 Chairman Lake
00:40:26 Gail Abercrombie
00:42:28 Rep. Stahl

Closing by Sponsor:

00:44:13 Rep. Wayne Stahl

EXECUTIVE ACTION ON HB 637

00:46:39 **Motion/Vote:** Rep. Sonju moved that **HB 637 DO PASS.**
MOTION CARRIED unanimously by voice vote with Rep.
Vincent voting by proxy.

EXECUTIVE ACTION ON HB 545

00:48:51 **Motion:** Rep. Erickson moved that **HB 545 DO PASS.**

Discussion:

00:49:50 Jeff Martin
00:51:04 Rep. Vincent arrived at hearing
00:51:33 Reps. Butcher and Hamilton left the hearing

00:53:04 **Motion:** Rep. Erickson moved that **HB 545 BE AMENDED.**
EXHIBIT(tah40a01)

Discussion:

00:53:19 Rep. Erickson

00:54:10 **Vote:** **MOTION CARRIED** unanimously by voice vote with
Reps. Butcher and Hamilton voting by proxy.

00:54:25 **Motion:** Rep. Erickson moved that **HB 545 DO PASS AS**
AMENDED.

Discussion:

00:54:46 Rep. McAlpin

00:55:11 Chairman Lake

00:55:47 Rep. Erickson

00:56:57 Rep. Sonju

00:57:14 Jeff Martin

00:57:29 Rep. Erickson

00:57:41 Jeff Martin

00:58:12 Chairman Lake

00:58:26 Jeff Martin

00:58:54 Rep. Sonju

00:59:18 Rep. Erickson

00:59:47 Jeff Martin

01:00:30 Chairman Lake

01:00:59 Rep. Cohenour

01:02:01 Rep. Nooney

01:02:14 Rep. Cohenour

01:02:29 Rep. Sonju

01:03:32 Rep. Erickson

01:03:50 Rep. McAlpin

01:04:08 **Vote:** **MOTION CARRIED** 13-5 by roll call vote with Reps.
Butcher, Hilbert, Lake, Ross, and Vincent voting no
with Reps. Butcher and Hamilton voting by proxy.

FISCAL NOTE PRESENTATION AND DISCUSSION ON HB 701

Opening Statement by Sponsor:

01:06:22 Rep. Bill Glaser (R), HD 44, continued his discussion
and fiscal note presentation on HB 701, Generally
revise school funding.

Discussion:

01:09:24 Rep. Ross
01:09:54 Jim Standaert, Legislative Services Division
01:10:47 Rep. Cohenour

01:11:15 Rep. Butcher arrived at hearing

01:12:18 Jim Standaert
01:12:46 Rep. Nooney
01:13:24 Jim Standard
01:13:53 Rep. Erickson
01:14:56 Jim Standard
01:18:34 Rep. Grinde
01:18:50 Madalyn Quinlan, Office of Public Instruction
01:20:32 Rep. Cohenour
01:21:59 Madalyn Quinlan
01:22:52 Rep. Jopek
01:24:31 Jim Standard
01:25:07 Rep. Jopek
01:26:21 Lance Melton, Montana School Boards Association

01:27:48 Rep. Butcher left the hearing

01:29:22 Rep. Jopek
01:30:22 Madalyn Quinlan
01:32:00 Rep. Jopek
01:32:51 Jeff Martin
01:33:38 Rep. McAlpin

01:33:56 Tom Burke, speaking in place of Tom Bilodeau, MEA-MFT

01:34:30 Chairman Lake
01:34:45 Rep. Cohenour
01:34:59 Chairman Lake
01:35:17 Tom Burke
01:36:24 Rep. Erickson
01:37:21 Rep. Glaser
01:39:09 Rep. Erickson
01:40:11 Rep. Cohenour
01:40:40 Jim Standaert
01:40:54 Rep. Cohenour
01:41:10 Jim Standaert
01:42:25 Madalyn Quinlan

01:43:28 Rep. Hamilton returned to hearing

01:43:30 Rep. Cohenour
01:45:01 Jim Standaert

Closing by Sponsor:

01:45:47 Rep. Glaser

EXECUTIVE ACTION ON HB 701

01:58:45 **Motion:** Rep. Nooney moved that **HB 701 DO PASS.**

Discussion:

01:59:18 Rep. Cohenour

02:01:51 Rep. Erickson

02:03:21 Rep. Grinde

02:04:06 Rep. Vincent

02:05:57 Rep. Ross

02:06:36 Rep. Sonju left the hearing.

02:07:48 Rep. Nooney

02:07:54 Rep. Cohenour

02:08:17 Rep. Nooney

02:08:46 Rep. Hamilton

02:09:16 Rep. MacLaren

02:09:49 Rep. Jopek

02:12:25 Rep. Bixby

02:14:01 **Vote:** **MOTION CARRIED** 10-8 by roll call vote with Reps. Bixby, Cohenour, Erickson, Grinde, Hamilton, Jopek, McAlpin, and Pomnichowski voting no and Reps. Sonju and Butcher voting by proxy.

Discussion:

02:14:54 Rep. Jopek

02:15:05 Chairman Lake

02:15:17 Recess

02:24:37 Reconvene

FISCAL NOTE DISCUSSION HB 678

Opening Statement by Sponsor:

02:24:55 Rep. Michael Lange (R), HD 55, continued the discussion and his presentation on HB 678, Revise school funding and tax laws.

Discussion:

02:33:51 Rep. Cohenour
 02:34:52 Jim Standaert
 02:37:45 Chairman Lake
 02:38:02 Jim Standaert
 02:40:02 Rep. Cohenour
 02:41:15 Jim Standaert
 02:41:46 Rep. Cohenour
 02:42:34 Chairman Lake
 02:42:44 Rep. Jopek
 02:42:59 Rep. Lange
 02:46:15 Rep. Erickson
 02:47:13 Rep. Lange
 02:47:56 Rep. McAlpin
 02:48:06 Rep. Lange
 02:49:16 Rep. Jopek
 02:50:58 Jim Standaert
 02:52:38 Rep. Erickson
 02:53:17 Dallas Reese, Department of Revenue
 02:53:44 Rep. Cohenour
 02:55:02 Dallas Reese
 02:57:14 Rep. Cohenour

 02:57:24 Rep. Butcher returned to hearing.

 02:57:51 Jim Standaert
 02:58:36 Rep. Jopek
 02:59:16 Madalyn Quinlan

 02:59:30 Rep. MacLaren left the hearing.

 02:59:37 Rep. Lambert
 03:00:29 Jim Standaert
 03:00:53 Rep. Cohenour
 03:01:21 Jim Standaert

Closing by Sponsor:

03:01:34 Rep. Lange

EXECUTIVE ACTION ON HB 678

03:01:53 **Motion:** Rep. Lambert moved that **HB 678 DO PASS.**
 03:02:32 **Motion:** Rep. Nooney moved that **HB 678 BE AMENDED.**
EXHIBIT(tah40a02)

Discussion:

03:02:54 Chairman Lake

03:03:13 **Motion/Vote:** Rep. Lambert moved **TO SEGREGATE ITEM 7 OF THE AMENDMENTS. MOTION CARRIED** unanimously by voice vote with Reps. MacLaren and Sonju voting by proxy.

Discussion:

03:03:54 Madalyn Quinlan

03:05:12 Rep. Cohenour

03:05:26 Madalyn Quinlan

03:05:45 Rep. Cohenour

03:06:07 Chairman Lake

03:06:37 Rep. Erickson

03:07:16 Jeff Martin

03:07:36 Chairman Lake

03:08:10 Jeff Martin

03:09:32 Rep. Erickson left the hearing.

03:10:57 Rep. Pomnichowski

03:11:21 Jeff Martin

03:13:05 Rep. Cohenour

03:13:21 Chairman Lake

03:13:28 Rep. Cohenour

03:13:34 Chairman Lake

03:13:56 Rep. Lambert

03:14:06 Rep. Cohenour

03:14:21 Chairman Lake

03:14:36 Rep. Jopek

03:14:42 Chairman Lake

03:15:30 Jeff Martin

03:16:15 Chairman Lake

03:16:27 Jeff Martin

03:17:06 Rep. Lambert moved that **HB 678 BE AMENDED WITH A CONCEPTUAL AMENDMENT.**

03:17:25 Without objection, Rep. Lambert **WITHDREW THE MOTION.**

03:17:51 Rep. Cohenour

03:18:07 Jeff Martin

03:18:22 Rep. Cohenour

03:18:28 Jeff Martin

03:18:43 **Vote:** **MOTION CARRIED** unanimously by voice vote with Reps. Erickson, Sonju and MacLaren voting by proxy.

03:19:01 Rep. Jopek left the hearing.

03:19:13 **Motion/Vote:** Rep. Lambert moved that **ITEM 7 OF THE AMENDMENT TO HB 678 BE ADOPTED. MOTION FAILED** 7-11 by roll call vote with Reps. Bixby, Cohenour, Erickson, Grinde, Hamilton, Jopek, and McAlpin voting aye and Rep. Sonju, MacLaren, Jopek and Erickson voting by proxy.

03:23:01 **Motion/Vote:** Rep. Lambert moved that **HB 678 BE AMENDED WITH A CONCEPTUAL AMENDMENT. MOTION CARRIED** unanimously by voice vote with Reps. Erickson, Jopek, Sonju and MacLaren voting by proxy.

03:23:53 **Motion:** Rep. Lambert moved that **HB 678 DO PASS AS AMENDED.**

Discussion:

03:24:06 Rep. Cohenour

03:24:23 Reps. Jopek and MacLaren returned to hearing.

03:25:32 Rep. Hilbert

03:26:21 Rep. Grinde

03:27:09 Rep. McAlpin

03:27:45 Rep. Butcher

03:27:56 Rep. Cohenour

03:28:02 Rep. Butcher

03:29:42 Rep. Ross

03:31:39 Chairman Lake

03:33:27 Rep. Jopek

03:34:51 **Vote:** **MOTION CARRIED** 10-8 by roll call vote with Reps. Bixby, Cohenour, Erickson, Grinde, Hamilton, Jopek, McAlpin, and Pomnichowski voting no and Reps. Sonju and Erickson voting by proxy.

EXECUTIVE ACTION ON HB 772

03:36:13 **Motion:** Rep. Nooney moved that **HB 772 DO PASS.**

03:36:23 **Substitute Motion/Vote:** Rep. Nooney made a substitute motion that **HB 772 BE TABLED. SUBSTITUTE MOTION CARRIED** unanimously by voice vote with Reps. Erickson and Sonju voting by proxy.

EXECUTIVE ACTION ON HB 719

03:38:23 **Motion:** Rep. Nooney moved that **HB 719 DO PASS.**

03:38:44 **Motion:** Rep. Cohenour moved that **HB 719 BE AMENDED.**
EXHIBIT(tah40a03)

Discussion:

03:39:14 Rep. Grinde

03:39:24 Rep. Erickson returned to hearing

03:39:47 Jeff Martin

03:39:54 Chairman Lake

03:40:22 **Vote:** **MOTION CARRIED** unanimously by voice vote with
Rep. Sonju voting by proxy.

03:40:44 **Motion:** Rep. Cohenour moved that **HB 719 DO PASS AS**
AMENDED.

Discussion:

03:40:53 Rep. McAlpin

03:41:06 Rep. Nooney

03:41:12 Rep. Cohenour

03:41:17 **Vote:** **MOTION CARRIED** unanimously by voice vote with
Rep. Sonju voting by proxy.

ADJOURNMENT

Adjournment: 11:45 A.M.

REP. BOB LAKE, Chairman

DEBRA POLHEMUS, Secretary

BL/dp

Additional Exhibits:

EXHIBIT ([tah40aad.pdf](#))